

David Mead - HB 4361

From: "Rick Cross" <rick@cross-farms.com>
To: <dmead@house.mi.gov>
Date: 3/21/2011 2:41 PM
Subject: HB 4361
CC: "Darwin Booher" <SenDBooher@senate.michigan.gov>, "Ray Franz" <RayFranz@...

Dear Chairman Gilbert and
Members of the House Tax Policy Committee,

I own a small farm in Leelanau County. My wife, Karen, operates a fitness training business here. I am concerned that two of the provisions in House Bill 4361 will have a very negative impact on the Leelanau County economy.

There are a disproportionately large number of retirees living in our county. The tax on public and private pensions will seriously limit the amount of discretionary dollars retirees will have to spend. It has been estimated that as much as 75% of all money spent in Leelanau County is derived from retirees income. Many retirees will have a 12 fold increase in their Michigan Income Tax. While this money will help fund state government it will do so at the expense of our local economy.

Leelanau County has a large number of lower income families who receive the earned income tax credit. These families spend most of this credit for goods and services they receive locally. Again, this will shift money that fuels our local economy to funding state government.

Our rural county will benefit little from the changes proposed to the business tax structure but will suffer greatly do to the loss of income caused by taxing retiree pensions and eliminating the earned income tax credit. I would appreciate your consideration of the issue faced by the smaller rural communities of the state that rely more on retiree spending and tourism than they do on big business.

Sincerely,

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